

Assembly Bill No. 1033

CHAPTER 630

An act to add and repeal Article 2 (commencing with Section 18711) of Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, and to amend Section 18969 of the Welfare and Institutions Code, relating to taxation.

[Approved by Governor October 3, 1997. Filed
with Secretary of State October 6, 1997.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1033, Frusetta. Taxpayer contributions: State Children's Trust Fund.

Provisions relating to the administration of personal income taxes allowed individual taxpayers, until January 1, 1997, to contribute amounts in excess of their tax liability to the State Children's Trust Fund by designation on their tax returns. All money that was contributed to the fund pursuant to these provisions was continuously appropriated for specified purposes.

The bill would reinstate those contribution provisions for taxable years beginning on or after January 1, 1997, and continue their operation until January 1, 2002. This bill would provide that all money contributed to the fund pursuant to the provisions of this bill would be subject to appropriation by the Legislature, as specified, and would make related and conforming changes to provisions that continuously appropriate the State Children's Trust Fund.

The people of the State of California do enact as follows:

SECTION 1. Article 2 (commencing with Section 18711) is added to Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, to read:

Article 2. State Children's Trust Fund

18711. (a) Any individual may designate on the tax return that a contribution in excess of the tax liability, if any, be made to the State Children's Trust Fund.

(b) The contribution shall be in full dollar amounts and may be made individually by each signatory on the joint return.

(c) A designation under subdivision (a) shall be made for any taxable year on the initial return for that taxable year, and once made shall be irrevocable. In the event that payments and credits reported on the return, together with any other credits associated with the

taxpayer's account do not exceed the tax liability, if any, shown thereupon, the return shall be treated as though no designation had been made. In the event that no designee is specified, the contribution shall, after reimbursement of the direct actual costs of the Franchise Tax Board for the collection and administration of funds under this article, be transferred to the General Fund. The individual shall be notified in cases in which the discrepancy between the amount actually available for designation and the amount designated exceeds ten dollars (\$10).

(d) If an individual designates a contribution to more than one account, and the amount available is insufficient to satisfy the total amount designated, the contribution shall be allocated among the designees on a pro rata basis.

(e) The Franchise Tax Board shall revise the form of the return to include a space labeled the "State Children's Trust Fund For the Prevention of Child Abuse" to allow for the designation permitted under subdivision (a).

(f) A deduction shall be allowed under Article 6 (commencing with Section 17201) of Chapter 3 of Part 10 for any contribution made pursuant to subdivision (a).

18712. (a) The Franchise Tax Board shall determine annually the total amount designated pursuant to this article and notify the Controller of that amount.

(b) The Controller shall transfer that amount, less the direct, actual costs of the Franchise Tax Board for the collection and administration of funds under this article, to the State Children's Trust Fund. The Controller shall transfer, upon appropriation by the Legislature, the amount of the board's costs to the board.

18713. It is the intent of the Legislature that this article create an additional source of funding for a specified purpose. The funds generated by this article shall not be used in place of funds from other sources which are available for appropriation to the State Children's Trust Fund.

18714. This article applies to taxable years beginning on or after January 1, 1997.

18715. (a) This article shall remain in effect only until January 1, 2002, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 2002, deletes that date.

(b) If, in any calendar year, the Franchise Tax Board estimates by September 1 that contributions described in this article made on returns filed in that calendar year will be less than two hundred fifty thousand dollars (\$250,000) for taxable years beginning in 1997, or the adjusted amount specified in subdivision (c), as may be applicable, then this article is repealed with respect to taxable years beginning on or after January 1 of that calendar year. The Franchise Tax Board shall estimate the annual contribution amount by September 1 of

each year using the actual amounts known to be contributed and an estimate of the remaining year's contributions.

(c) For each calendar year, beginning with calendar year 1998, the Franchise Tax Board shall adjust, on or before September 1 of that calendar year, the minimum estimated contribution amount specified in subdivision (b) as follows:

(1) The minimum estimated contribution amount for the calendar year shall be an amount equal to the product of the minimum estimated contribution amount for the prior September 1 multiplied by the inflation factor adjustment as specified in paragraph (2) of subdivision (h) of Section 17041, rounded off to the nearest dollar.

(2) The inflation factor adjustment used for the calendar year shall be based on the figures for the percentage change in the California Consumer Price Index received on or before August 1 of the calendar year pursuant to paragraph (1) of subdivision (h) of Section 17041.

(d) Notwithstanding the repeal of this article, any contribution amounts designated pursuant to this article prior to its repeal shall continue to be transferred and disbursed in accordance with this article as in effect immediately prior to that repeal.

SEC. 2. Section 18969 of the Welfare and Institutions Code is amended to read:

18969. (a) There is hereby created in the State Treasury a fund which shall be known as the State Children's Trust Fund. The fund shall consist of funds received from a county pursuant to Section 18968, funds collected by the state and transferred to the fund pursuant to subdivision (b) of Section 103625 of the Health and Safety Code and Article 2 (commencing with Section 18711) of Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, grants, gifts, or bequests made to the state from private sources to be used for innovative and distinctive child abuse and neglect prevention and intervention projects and money appropriated to the fund for this purpose by the Legislature. The State Registrar may retain a percentage of the fees collected pursuant to Section 10605 of the Health and Safety Code, not to exceed 10 percent, in order to defray the costs of collection. The Franchise Tax Board may retain up to 5 percent of the taxpayer contributions to the fund made pursuant to Article 2 (commencing with Section 18711) of Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, to reimburse the board for the costs of administering that article.

(b) (1) Except as provided in paragraph (2) and notwithstanding Section 13340 of the Government Code, money in the State Children's Trust Fund is continuously appropriated without regard to fiscal years to the State Department of Social Services for the purpose of funding child abuse and neglect prevention and intervention programs. The department may not supplant any federal, state, or county funds with any funds made available through

the State Children's Trust Fund. The department shall use no more than 5 percent of the funds appropriated pursuant to this section for administrative costs.

(2) Funds transferred to the State Children's Trust Fund pursuant to Article 2 (commencing with Section 18711) of Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code shall be appropriated by the Legislature.

(c) The department may establish positions as needed for the purpose of implementing and administering child abuse and neglect prevention and intervention programs that are funded by the State Children's Trust Fund. However, the department shall use no more than 5 percent of the funds appropriated pursuant to this section for administrative costs.

(d) No children's trust fund money shall be used to supplant state General Fund money for any purpose.

(e) It is the intent of the Legislature that the State Children's Trust Fund provide for all of the following:

(1) The development of a public-private partnership by encouraging consistent outreach to the private foundation and corporate community.

(2) Funds for large-scale dissemination of information that will promote public awareness regarding the nature and incidence of child abuse and the availability of services for intervention. These public awareness activities shall include, but not be limited to, the production of public service announcements, well designed posters, pamphlets, booklets, videos, and other media tools.

(3) Research and demonstration projects that explore the nature and incidence and the development of long-term solutions to the problem of child abuse.

(4) The development of a mechanism to provide ongoing public awareness through activities that will promote the charitable tax deduction for the trust fund and seek continued contributions. These activities may include convening a philanthropic roundtable, developing literature for use by the State Bar for dissemination, and whatever other activities are deemed necessary and appropriate to promote the trust fund.

